



2016 Preliminary Annual Report

The San Luis Obispo County Housing Trust Fund (the “HTF”) is a private nonprofit corporation that was incorporated in 2003. We are a mission-driven lender and certified Community Development Financial Institution (CDFI).¹

Mission & Purpose

The HTF’s mission is to increase the supply of affordable housing for very low, low and moderate income households in San Luis Obispo County.

Programs & Services

The HTF provides financing and technical assistance (TA) for local affordable housing projects. We also provide TA on housing programs and policies. In addition, we advocate for affordable housing legislation, programs and projects at the local, state and federal levels.

Local Housing Needs

San Luis Obispo County is consistently one of the least affordable housing markets in California and the nation. The National Association of Home Builders found that this county was the 10th least affordable out of 229 metropolitan housing markets in the nation for the third quarter of 2016.²

The 2010 Census found that 35.8% of the renters in San Luis Obispo County had a severe housing cost burden.³ This was a higher percentage than in either San Francisco and Los Angeles County. Based on HUD data, our county also had a higher incidence of homelessness than both areas in 2013. The Census reported that our rental vacancy rate was only 1.7% in that year.

¹ Learn more about CDFIs at www.ofn.org.

² Online at <http://tinyurl.com/putjxcz>.

³ “Severe housing cost burden” means they paid more than half of their gross incomes for housing.

Revolving Loan Funds

The HTF operates revolving loan funds to finance affordable housing projects. These loan funds include both grants and investments. As of December 31, 2016, nearly \$11 million was committed to our revolving loan funds.⁴ The sources and amounts of our loan funds were:

Loan Fund Investments

Heritage Oaks Bank	\$2,000,000
Rabobank	1,200,000
Dignity Health	1,000,000
Pacific Western Bank	450,000
Founders Community Bank	250,000
Various Religious Communities	450,000

Contributed Loan Funds⁵

CDFI Fund of the US Treasury	\$3,300,000
California LHTF Program	2,075,000
California Association of Realtors	125,000
George Moylan Fund	109,030
Create Jobs for USA (Starbucks)	34,500

Total Lending Capital \$10,992,880

Accomplishments

Since 2005, the HTF has provided \$18.1 million in loans to assist nearly 700 units of affordable housing. The vast majority of these units (94%) are for low income households. At the end of 2016, we had over \$7 million in outstanding loans.

We closed three loans totaling \$800,000 during 2016 and had a \$460,000 loan committed. Two of our new loans were for the development of tax credit apartments. The third was a bridge loan for new market rate apartments, whose development we helped finance.

⁴ Includes firm commitments and our available line of credit.

⁵ Contributed funds are listed based on their original source. They are ultimately placed in our unrestricted Moylan Fund.

Operating Support

The HTF has two sources of operating revenue – grants and our interest and fee earnings. In 2016, government grants covered 25.4% of our expenses and bank grants covered 8.8%. Our loan fees and interest earnings exceeded our expenses.

Board of Directors

The following individuals served on the HTF’s Board of Directors at the end of 2016.⁶

- Leonard J. Grant, AIA, Chair
RRM Design Group
- Clarence Cabrereros, Vice Chair
SESLOC Federal Credit Union
- Jeff Eckles, Treasurer
Home Builders Assn. of the Central Coast
- Marianne Kennedy, Secretary
Women’s Shelter Program
- Hemalata C. Dandekar, PhD
California Polytechnic State University
- Joe Hoeflich
SLO Supportive Housing Consortium
- Victoria Relva
MGR Private Capital & Real Estate Group

HTF Commission

The HTF Commission serves as our loan committee. The following individuals served on the HTF Commission at the end of 2016.

- Scot Graham, City of Morro Bay
- Kelly Heffernon, City of Arroyo Grande
- Mark Lamore, Supportive Housing Consortium
- Ken Litzinger, HASLO
- Tony Navarro, County of San Luis Obispo
- Mariam Shah, City of Grover Beach
- John Stocksdale, City of Pismo Beach
- Jenny Wiseman, City of San Luis Obispo

Staff

- Jerry Rioux, Executive Director
- Vivian Krug-Cotton, Administrative Director

⁶ Our current Board and Commission members are listed online at www.slocthf.org/our-team.htm.

Financial Statements

Our audited financial statements for 2015 and our internally prepared financial statements for 2016 are summarized below. Our 2015 and 2014 audits were prepared by Caliber Audit & Attest, LLP and the firm has been selected to prepare our 2016 audit. All of our audits since 2004 are available on our website at www.slocthf.org/about-us.htm.

Statement of Financial Position

	12/31/15	12/31/16
Assets		
Current Assets:		
Cash & Cash Equivalents	\$2,135,114	\$3,220,955
Receivables & Prepays	7,623	7,328
Interest Receivable	30,394	20,723
Notes Receivable (Current Portion)	1,697,516	271,974
Total Current Assets	\$3,870,647	\$3,520,980
Non-Current Assets:		
Notes Receivable (Non-Current)	5,411,219	6,758,433
Total Assets	\$9,281,866	\$10,279,413
Liabilities		
Current Liabilities:		
Payable & Accruals	\$26,177	\$29,593
Deferred Income	0	110,000
Notes Payable (Current)	850,000	0
Total Current Liabilities	\$876,177	\$139,593
Long-Term Liabilities:		
Notes Payable (Non-Current)	2,800,000	4,350,000
Total Long-Term Liabilities	\$2,800,000	\$4,350,000
Total Liabilities	\$3,676,177	\$4,489,593
Net Assets		
Unrestricted ⁷	\$4,276,993	\$4,789,821
Temporarily Restricted	1,100,000	500,000
Permanently Restricted	228,696	229,346
Total Net Assets	\$5,605,689	\$5,789,821
Total Liabilities and Net Assets	\$9,281,866	\$10,279,413

Statement of Activity

	2015	2016
Revenue		
Government Grants	\$38,000	\$73,161
Private Contributions	25,958	25,456
Interest & Loan Fees	328,207	373,348
Total Revenue	\$392,165	\$471,965
Expenses		
Program Services	\$225,764	\$230,266
Management & General	35,276	\$35,980
Fund Raising	21,165	\$21,587
Total Expenses	\$282,205	\$287,833
Increase In Net Assets	\$109,960	\$184,132

⁷ Includes federal and state grants that became unrestricted.